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GREENLAND HONG KONG HOLDINGS LIMITED

綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

DISCLOSEABLE TRANSACTION ESTABLISHMENT OF A REAL ESTATE FUND

ESTABLISHMENT OF A REAL ESTATE FUND

The Board is pleased to announce that on 24 March 2017 (after trading hours), Greenland (a wholly-owned subsidiary of the Company), KSI and the JV (as the holding company of the General Partner) entered into the JVA in relation to, among others, the establishment of the Fund and the management of the JV.

The Fund will primarily focus on, among others, investments in top-tier world class real estate in prime locations in major cities globally (including residential, commercial, office, retail, hospitality and integrated developments).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of Greenland's financial commitments under the JVA and the transactions contemplated thereunder is more than 5% but less than 25%, the JVA and the transactions contemplated under the JVA constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements only but exempt from the shareholder approval requirement under Chapter 14 of the Listing Rules.

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PRINCIPAL TERMS OF THE JVA

Date

24 March 2017 (after trading hours)

Parties

- (1) Greenland
- (2) KSI
- (3) the JV

Details of the Fund

The name of the Fund will be Silk Road Integrated Real Estate Fund I L.P., which will be a Cayman Islands exempted limited partnership.

The Fund will primarily focus on: (i) investment in top-tier world class real estate; (ii) investment in real estate in prime locations in major cities globally, including cities located within or along the regions covered by China's "One Belt, One Road" initiative; (iii) investment in diversified property sectors including residential, commercial, office, retail, hospitality and integrated developments; (iv) investment in logistics; (v) making strategic and other investment in real estate; (vi) engaging in real estate financing; (vii) retaining flexibility to invest in real estate projects of various development stages; and (viii) optimizing value across real estate development cycles.

The JV will be the holding company of the General Partner, and the General Partner will be responsible for the management, control and operation of the Fund, the determination of the Fund's policy and its investment and other power and authorities vested in the General Partner under the JVA.

Shareholder Loan

Subject to the terms of the JVA, Greenland and KSI will advance an unsecured shareholder loan to the JV in an aggregate amount equal to HK\$75 million, with Greenland to advance a maximum amount equal to 50% of such shareholder loan. Such shareholder loan will be applied by the JV to fund the costs, expenses and liabilities of the organisation, funding, start-up and the operation and activities of the Fund, the JV and their affiliates.

Commitments to invest in the Fund

Greenland and KSI through the SLP will in aggregate maintain a commitment to invest in the Fund of between HK\$750 million and HK\$1.5 billion, with Greenland to commit a maximum of 50% of such investment, or such greater amount to be approved pursuant to the JVA. Subject to the terms of the JVA, the Sponsors' Commitment will not be subject to the Management Fee, the Carried Interest or the Enhanced Return.

The amounts of commitments to the Fund are determined after arm's length negotiation between the parties, with reference to, among others, the size of the anticipated investments to be made by the Fund and the proposed commitments to be sought from third-party investors. Greenland will fund its commitment from the Group's internal resources and/or borrowing.

Carried Interest

Subject to the terms of the JVA, the General Partner is entitled to receive the Carried Interest equal to 10% of the profits of the Fund (or such other amount as agreed by the parties to the JVA) as payment for its services provided to the Fund. Such Carried Interest will be distributed to the JV's shareholders pro rata to their respective shareholding percentages in the JV pursuant to the JVA.

Enhanced Return

Subject to the terms of the JVA, the SLP is entitled to receive the Enhanced Return equal to 10% of the profits of the Fund (or such other amount as agreed by the parties to the JVA) for its early investment in the Fund. Such Enhanced Return will be distributed to the SLP's shareholders pro rata to their respective shareholding percentages in the SLP pursuant to the JVA.

Management Fees

During the investment period of the Fund, it is anticipated that the Fund will pay the General Partner an annual Management Fee equal to 2% of the aggregate capital commitments of the Fund (excluding or adjusted to take account of the Sponsors' Commitment) as compensation for its management of the affairs and the rendering of services to the Fund.

Following the end of the investment period of the Fund, it is anticipated that the Management Fee will be equal to 2% of the acquisition cost of the unrealized portfolio investments of the Fund.

Board Composition of the JV

The board of the JV will be comprised of four directors. Greenland will have the right to appoint two Greenland Directors and to remove and replace each Greenland Director so appointed. KSI will have the right to appoint two KSI Directors and to remove and replace each KSI Director so appointed.

The board of the JV will appoint one director as its chairman, which will initially be a KSI Director, and the chairman position will be rotated each quarter between a Greenland Director and a KSI Director. The chairman of the board will have no additional voting or other rights (over his or her rights as a director of the JV).

REASONS FOR AND BENEFITS FOR THE FORMATION OF THE FUND

The Board believes that the Company and KSI can combine their respective expertise in the real estate industry to establish a mutually beneficial long-term partnership in line with China's "One Belt, One Road" initiative to foster closer economic cooperation and cultural exchange between the PRC and the Middle East, as well as to enable the Company to expand its business into new geographic areas and explore additional revenue source, which will be beneficial to the business of the Group in the long term.

On the basis of the foregoing, the Board considers that the terms of the JVA and the transactions contemplated thereunder are fair and reasonable and entered into on normal commercial terms after arm's length negotiations between the relevant parties, and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES TO THE JVA

The Group is principally engaged in real estate development in various cities in the PRC, including Shanghai, Kunming, Huangshan, Suzhou, Changshu, Wuxi, Haikou, Taiyuan, Hangzhou, Ningbo, Nanchang and Xuzhou.

Greenland is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company. Greenland is a wholly-owned subsidiary of the Company.

KSI is a company incorporated in the Cayman Islands with limited liability and is an investment holding company. KSI is wholly-owned by His Excellency Sheikh Sabah Al-Jaber Al-Mubarak Al-Hamad Al-Mubarak Al-Sabah ("**His Excellency**"). His Excellency has over 25 years of experience in leading, investing, and overseeing regional and international businesses and assets in real estate, media, banking, and other industries.

The JV is a company incorporated in the Cayman Islands with limited liability and is an investment holding company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, KSI and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

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DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Carried Interest”	the distributions payable to the General Partner by the Fund out of the profits of the Fund subject to the terms of the JVA
“Company”	Greenland Hong Kong Holdings Limited, a company incorporated with limited liability in the Cayman Islands whose shares are listed on the Stock Exchange (stock code: 337)
“Directors”	the directors of the Company
“Enhanced Return”	the distributions payable to the SLP by the Fund out of the profits of the Fund subject to the terms of the JVA
“Fund”	Silk Road Integrated Real Estate Fund I L.P., a Cayman Islands exempted limited partnership
“General Partner”	the general partner of the Fund, which is a wholly-owned subsidiary of the JV
“Greenland”	Jade Fluorite Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Greenland Directors”	the directors appointed by Greenland to the board of the JV pursuant to the JVA
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV”	Silk Road Integrated Real Estate GP Ltd., a Cayman Islands exempted company, which is owned as to 50% by Greenland and 50% by KSI
“JVA”	the shareholders’ agreement dated 24 March 2017 between Greenland, KSI and the JV in relation to, among others, the establishment of a Fund and the management of the JV

“KSI”	Kuwait Silk Road Integrated Real Estate GP Ltd., a Cayman Islands exempted company
“KSI Directors”	the directors appointed by KSI to the board of the JV pursuant to the JVA
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Fee”	the annual management fees which the Fund will pay to the General Partner
“percentage ratio”	has the same meaning ascribed to it under the Listing Rules, as applicable to a transaction
“PRC”	the People’s Republic of China
“Shareholders”	holders of Shares
“Shares”	the ordinary shares of HK\$0.50 each in the capital of the Company
“SLP”	an entity to be jointly established by the shareholders of the JV (or their affiliates) as a special limited partner for the purposes of funding the Sponsors’ Commitment and receiving distributions of the Enhanced Return from the Fund
“Sponsors’ Commitment”	the aggregate commitments to invest in the Fund of between HK\$750 million and HK\$1.5 billion (or such greater amount to be approved pursuant to the JVA) by Greenland and KSI through the SLP
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

By Order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

Hong Kong, 24 March 2017

As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Hou Guangjun, Mr. Wu Zhengkui, Mr. Wang Weixian, Ms. Wang Xuling and Mr. You Defeng; and the independent non-executive Directors are Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP, and Mr. Kwan Kai Cheong.